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IDAHO BUREAU OF OCCUPATIONAL LICENSES 90-DAY FOLLOW-UP

On September 12, 2013, the Legislative Services Office released a management report for the Idaho Bureau of Occupational Licenses (Bureau) for the fiscal years 2009, 2010, 2011, and 2012. We contacted the Bureau on February 5, 2014, and this report addresses how it has responded to the one finding and recommendation contained in that report.

FINDING 1

One-third of the boards served by the Bureau of Occupational Licenses report negative cash balances totaling almost \$622,000.

We recommended that the boards work with the Bureau to develop performance criteria that can be used to evaluate their self-sufficiency. If necessary, appropriate action should be pursued, such as cutting costs or developing fee increases, if performance criteria are not met and a negative cash balance is expected to continue. In addition, other options may be considered; for example, working with the Legislature to authorize a one-time fee assessment or requesting General Fund support. We further recommend that the boards formally document the steps taken to become self-sufficient and the reasonable length of time a board anticipates having a negative fund balance. We also recommend that the Bureau make recommendations to the boards if cost savings are not timely implemented by the boards.

AUDIT FOLLOW-UP

The Bureau continues to monitor the balances for the boards it serves; however, nine boards have maintained negative cash balances totaling \$507,290 as of March 31, 2014. See table below sorted by Cash Balance at March 31, 2014.

	Cash Balance at June 30, 2012	Cash Balance at March 31, 2014	Change Between 6/30/12 and 3/31/14
Athletic Commission	(\$178,168)	(\$188,992)	(\$10,824)
Podiatry Board	(167,013)	(151,662)	15,351
Midwifery Board	(\$54,515)	(\$70,972)	(\$16,457)
Residential Care Facility Administrators Board	(12,243)	(24,187)	(11,944)

	Cash Balance at June 30, 2012	Cash Balance at March 31, 2014	Change Between 6/30/12 and 3/31/14
Naturopathic Medical Examiners Board	(20,160)	(20,160)	-
Real Estate Appraisers Board	(67,090)	(17,353)	49,737
Driving Businesses Licensure Board	(20,730)	(17,120)	3,610
Dentistry Board	(28,453)	(15,598)	12,855
Athlete Agents Registration Board	(6,173)	(1,246)	4,927
Liquefied Petroleum Gas Safety Board	(67,253)	7,723	74,976
Social Work Examiners Board	123,736	15,587	(108,149)
Nursing Home Administrators Board	40,335	22,538	(17,797)
Barber Examiners Board	42,124	29,537	(12,587)
Morticians Board	32,339	30,593	(1,746)
Shorthand Reporters Board	32,301	37,736	5,435
Geologists Board	30,507	42,396	11,889
Landscape Architects Board	44,056	62,188	18,132
Occupational Therapy Licensure Board	38,701	73,564	34,863
Counselors/Marriage & Family Therapists Board	50,647	88,383	37,736
Massage Therapy*	-	89,165	89,165
Optometry Board	90,797	97,596	6,799
Chiropractic Physicians Board	128,951	97,833	(31,118)
Speech and Hearing Services Board	64,692	110,166	45,474
Acupuncture Board	125,124	121,636	(3,488)
Psychologist Examiners Board	65,081	126,878	61,797
Architectural Examiners Board	122,599	150,464	27,865
Contractors Board	347,617	228,961	(118,656)
Physical Therapy Licensure Board	208,096	265,408	57,312
Drinking Water & Wastewater Prof. Board	466,225	448,658	(17,567)
Cosmetology Board	1,643,105	1,649,472	6,367
TOTAL	\$3,075,235	\$3,289,192	

*Board was created 7/1/2012, License required on 7/1/2013

	June 30, 2012	March 31, 2014	
Total Number of Boards	29	30	
Number of Boards with Negative Balances	10	9	
Dollar Value of Negative Balances	(\$621,799)	(\$507,290)	\$ 114,509

We noted 1 of the 10 boards in our finding no longer has a negative balance. In addition, five of the remaining nine boards have decreased their negative cash balance. However, three of the boards have increased their negative cash balance, and one remains the same.

The financial reports continue to be presented to each board for review. In addition, the Bureau monitors the revenues and expenses on a daily basis. The Bureau evaluates several factors to determine if a fee increase or decrease is warranted, and then makes a recommendation to the board. These factors include the number of outstanding complaints, if the board may be able to recoup any of the costs related to disciplinary matters, if there are increases or decreases in the number of licensees in the profession, and if there are any efficiencies or process improvements which can be made. Fee increases were approved in March 2012 for the boards with the two largest negative balances. Legislation was also enacted April 11, 2013, that will suspend the Athletic Commission's operations in the event their negative fund balance exceeds \$200,000. The Board of Midwifery requested and received approval for a fee increase in March 2014, which the Bureau anticipates will increase revenues by approximately \$10,000.

STATUS – OPEN